



Mercedes-Benz

Mercedes-Benz USA, LLC
A Daimler Company

October 26, 2018

Mr. Christopher Lieske
Office of Transportation and Air Quality Assessment and
Standards Division
Environmental Protection Agency
2000 Traverwood Dr.
Ann Arbor, MI 48108

Mr. James Tamm
Office of Rulemaking, Fuel Economy Division
National Highway Traffic Safety Administration
1200 New Jersey Ave., SE
Washington, DC 20590

Re: EPA and NHTSA: Notice of Proposed Rulemaking
The Safer Affordable Fuel-Efficient Vehicles Rule for Model Years 2021-2026
Passenger Cars and Light Trucks
Docket Numbers: EPA-HQ-OAR-2018-0283 & NHTSA-2018-0067

EXECUTIVE SUMMARY

- Mercedes-Benz supports one national program which drives continued improvements in fuel economy and emissions over all 50-states, while addressing the marketplace realities of electric vehicle adoption.
- EPA and NHTSA should maintain, and harmonize where possible, credits and flexibilities to aid in reaching compliance targets. Credits and flexibilities include: advanced technology multipliers, off-cycle credits, credit banking and credit trading.
- The feasibility of the baseline alternative requires a rapid increase in electric vehicle adoption which is not likely to occur within the time period under discussion in this proposal.
- Adoption rates for electric vehicles remain low compared to traditional powertrains, even when priced competitively against similar vehicles. Consumer affordability and preferences tend toward packages which provide increased utility and function rather than efficiency.

Any questions related to these comments may be directed to Alexandria Reed at (734)997-3192.



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Mercedes-Benz USA, LLC
1 Mercedes-Benz Dr.,
Sandy Springs, GA 30328
Phone (770) 706-0600
www.MBUSA.com

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Dear Mr. Lieske & Mr. Tamm:

Mercedes-Benz USA, LLC (“MBUSA”), on behalf of its parent company Daimler AG (“Daimler”) (collectively hereinafter “Mercedes-Benz”), is pleased to submit the following comments.

Daimler is one of the most successful automotive manufacturers in the world. With its Mercedes-Benz Cars, Daimler Trucks, Mercedes-Benz Vans, and Daimler Buses divisions, Daimler is one of the largest producers of premium cars and the biggest globally-operative manufacturer of commercial vehicles.

Daimler’s investments, along with its focus on innovation and maximizing performance, have fueled continuous growth of the company throughout North America. Daimler employs 23,500 people in the US, representing 8.1% of its global workforce.¹ The US is the largest market in the world for Daimler Trucks and the second largest for Mercedes-Benz cars. Daimler’s commitment in North America represents an important contribution to the economy of the US, and we remain committed to continued investment in the development of alternative powertrains, including hybrid and all-electric vehicles, with the goal of making emission-free driving possible in the long term.

Mercedes-Benz is dedicated to working with your agencies on a practicable long-term program that will not only help us with medium and long-term product planning strategy but also placing more fuel-efficient technologies in consumer households across the country. We thank NHTSA and EPA for the opportunity to provide these comments on the proposed Safer Affordable Fuel-Efficient Vehicles Rule for Model Years 2021 – 2026. We look forward to an ongoing dialogue with your agencies and hope you will consider our concerns as well as our suggestions for the achievement of our mutual goals.

We encourage EPA and NHTSA to review the mid-term evaluation record for a complete examination of industry concerns², and we hope that the agencies will continue to review such technical input and revise regulations when warranted.

Section I: High Level Concerns

a. Framework of the Standards

Mercedes-Benz appreciates the opportunity to comment on EPA and NHTSA’s proposed greenhouse gas (GHG) and fuel economy rulemaking for model years 2021 – 2026. We continue to encourage the agencies to develop a regulatory strategy which promotes the development of the advanced technologies which will be required to achieve climate change initiatives within the US. This strategy should incorporate opportunities for regulatory certainty, one national program, harmonization, incentives and flexibilities.

Mercedes-Benz supports year-over-year stringency improvements in greenhouse gas and fuel economy standards. However, the standards proposed in 2012 are not likely to prove feasible for manufacturers in later years of the program (under today’s proposal – the “baseline”

¹ Daimler North America. 2018. <https://www.daimler.com/company/north-america/>

² EPA-HQ-OAR-2015-0827

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alternative). On average, these standards require 4.5% stringency improvement in each year to achieve compliance. Although this program offered incentives during its early phases, many incentive opportunities phase-out in later years of the program, MYs 2022-2025. At the time of the proposal, the agencies had anticipated the launch of electrified technologies for mass deployment by this stage. Instead, industry still sees stalled adoption of electric vehicle technologies due to inadequate infrastructure investment and lack of consumer acceptance.

We appreciate that the agencies are taking this rulemaking opportunity to maximize regulatory certainty for automakers by setting standards for MYs 2021 through 2026, which covers the maximum time period allowable under NHTSA's statutory authority. Regulatory certainty is crucial for automotive manufacturers, as product plans may be set by as many as 7 to 10 years (or more) in advance. Accordingly, product planning requires considerable lead-time and thoughtful consideration to meet compliance and marketplace needs.

One aspect of regulatory certainty includes stakeholder representation. We view California Air Resources Board (CARB) and its contribution to improving environmental quality as a crucial part of this regulatory process. California's citizens are also early adopters of electric vehicle technology and have access to some of the most advantageous incentive opportunities and infrastructure investments across the United States. Despite these localized efforts, even California's marketplace is subject to consumer adoption perils. We continue to encourage EPA and NHTSA to work with California, utilizing its experiences in improving vehicle emissions to improve environmental quality nationwide. As such, we encourage all three agencies to come to a resolution which satisfies the intent of "One National Program."

We support the Trump Administration's efforts to address marketplace effects by coming to a practicable solution for all stakeholders, while maximizing opportunities for mass deployment of electric vehicles.

b. Cost of Compliance and Consumer Affordability

Mercedes-Benz has shared its concerns at each rulemaking milestone that many technologies are assumed to have greater effectiveness and much lower costs than are realistic. In general, the challenge and cost of meeting the standards increases as more advanced technologies are required in later years of the regulation. The footprint based standards cannot compensate for the disparity between large fleets with diverse product offerings, and fleets that sell traditionally in the luxury market with modest volumes over which to spread compliance obligations.

With higher penetration rates of advanced engine technologies and electrification predicted in NHTSA's modeling analysis for the Mercedes-Benz vehicle fleet compared to the average U.S. fleet, our concern is that the cost of compliance and level of technology required will be higher for our fleet compared to competitor vehicles produced by larger manufacturers with more diverse fleets. Even the very high end products of the luxury automotive market (e.g., in our line-up, the Mercedes-Benz S-class) are not exempt from pricing pressures. These are some of the most technologically advanced vehicles in the marketplace which enable OEMs to confirm the viability of unique technologies which can ultimately lead to innovation in the rest of the fleet. By introducing advanced powertrain and safety technologies within the luxury fleet, technologies such as anti-lock brake systems, traction control, safety-cell construction, and automated

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emergency braking systems are now saturated in the marketplace as commonplace technologies. The engineering and development expense for these advanced vehicles requires tremendous financial oversight. Unlike non-luxury OEMs, luxury OEMs do not offer a vast fleet of different vehicles or large volumes of sold vehicles to offset the amortization of design and engineering expenses. In finalizing the proposed standards, the agencies should maintain flexibilities as one pathway to aid in compliance and ensure a level playing field in this market segment.

Finally, we continue to encourage the agency to review and consider the impact of these regulations on leasing and residual values. In the premium segment, consumers lean toward leasing vehicles, which can account for up to 50% of all sales – sometimes greater in certain areas. What matters to consumers when leasing is the monthly payment and the down payment required. With lease terms typically lasting 36-months and fuel prices predicted to stay below \$3.00 per gallon through 2025, the payback period of new technologies required will not be short enough to be attractive to these customers. In addition, the concern that the residual values of vehicles with advanced technologies may be reduced could further increase the lease payments of those vehicles, thereby adversely impacting customer acceptance.

c. Consumer Acceptance and Market Adoption

Mercedes-Benz continues to work diligently to introduce advanced technological concepts which improve efficiency, safety and comfort in automobiles. We remain committed to making these technologies available to our customers with the hope that they will penetrate the entire US fleet and further improve the emissions, safety and performance of our vehicles. These objectives are consistent with our efforts to offer the best available products to our customers. Our customers still do not demand efficiency over safety or comfort. Instead they continue to value safety, comfort, quality, technology and a positive driving experience.

Fuel prices are a less relevant factor in the total cost of ownership for luxury vehicle purchasers, and we see our customers choosing safety and comfort packages rather than alternative powertrains or electrification in their purchasing decisions when total cost of ownership is at issue. Mercedes-Benz customers demand greater performance and utility in their vehicle choices, often resulting in higher greenhouse gas and lower fuel economy ratings. For example, when product offerings are available as both conventional combustion engine and electric powertrains and at similar price points, our customers tend to choose the conventional vehicle despite identical pricing. For example, Mercedes-Benz offered the S-Class 550 sedan in both conventional and electrified powertrains at the same price point, despite the S550e being more costly to manufacture. The S-Class 550e required some engineering tradeoffs, including increased mass, lower 0-60 mph acceleration time, and reduced trunk space to accommodate the battery. The vehicle did offer slightly better fuel consumption, additional comfort features such as cabin preconditioning and quiet electric mode operation, and HOV lane access for the same price as the conventional. Our customers demonstrate an unwillingness to commit to alternative powertrains when offered, as only 756 S550e's were sold in MY 2017, which is approximately 8% of the total volume of all S550's offered in MY17, conventional and electric. Moreover, consumers still lack confidence in electrified technologies, causing lower penetration rates when compared with traditional internal combustion engine technologies. Even with sales volumes coming short, Mercedes-Benz continues to invest in the future of its electrified fleet.

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Across industry, more than 100 electrified models³ are slated for introduction through 2022. Mercedes-Benz will introduce 10 electrified models globally by 2022 under our new branding, dubbed “EQ.”

To aid in consumer acceptance throughout the transitional period, Mercedes-Benz will introduce 48V variants of the EQ lineup, named “EQ Boost.” This powertrain type is aimed to foster the transitional period between internal combustion engine technologies and electric vehicles by improving customers’ driving experiences and increasing fuel efficiency. Mercedes-Benz plans to launch this technology to nearly the entire fleet.

Despite hopeful projections, we still anticipate external factors will impact consumer choices through later years of the regulatory program. Fuel prices are expected to increase, but not return to their previous peaks around 2010, when ONP2 was under discussion.⁴ This static fuel pricing further contributes to market adoption concerns because the total cost of vehicle ownership is lower with a conventional vehicle. As a result, our customers are increasingly choosing utility and conventional vehicles to meet their household needs, rather than sedans, which traditionally measure higher fuel economy numbers.

Alternative powertrains require alternative infrastructure investments, yet Mercedes-Benz continues to encounter barriers for electric vehicle deployment. EPA’s low projections for electrification are seemingly dismissive of industry and state and local government concerns regarding infrastructure availability. We encourage the agency to work with industry, standardization organizations, and national labs to evaluate needs for infrastructure placement, proprietary or universal stations and the types of infrastructure required for future product lines. We also suggest that EPA also consider private infrastructure investments as a high priority concern in the deployment of electric vehicles, which further impacts the total cost of ownership for customers. We encourage the agency to include private infrastructure and consumer acceptance as part of its assessment when finalizing this rulemaking.

To help mitigate concerns associated with consumer acceptance, Mercedes-Benz has invested in two external outreach campaigns which we view as complementary to our company specific brand advertising and associated product launches. The first is Veloz’s “Electric for All Campaign”⁵ which focuses on the California market. It is a multi-stakeholder, multi-million dollar campaign which will be delivered through digital, paid and earned media. Veloz officially launched its campaign this month, with the goal of inspiring Californians to drive electric. The second campaign, “Drive Change, Drive Electric,”⁶ is funded by automakers and the northeast states. This campaign was launched last year with the goal of “increasing awareness, consideration, and acceptance of all types of electric vehicles among audiences of people likely to purchase a car in the next 3 – 5 years” in the northeast states. The campaign is using various tools to educate consumers and increase awareness.

³ Including BEV, FCEV, PHEV and 48V technologies.

⁴ EIA Annual Energy Outlook 2018 with projections out to 2050. February 6, 2018. <https://www.eia.gov/outlooks/aeo/pdf/AEO2018.pdf>.

⁵ Veloz. Electric for All, 2018. <https://www.electricforall.org/>.

⁶ Drive Change, Drive Electric, 2018. <https://driveelectricus.com/>.

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Section II: Support and Opportunity for Cooperation

Mercedes-Benz supports harmonizing and streamlining regulations when the action is consistent with underlying regulatory objectives. This premise is supported by both administrations under which “one national program (ONP)” and the mid-term evaluation were considered. In May 2010, President Obama issued a Presidential Memorandum directing EPA and NHTSA to develop a “coordinated national program” of “joint Federal standards” to improve automobile fuel efficiency and reduce GHG emissions from light-duty vehicles.⁷ Mercedes-Benz supports one national program that drives continued improvements in fuel economy and emissions over all 50-states, while addressing the marketplace realities of electric vehicle adoption.

The very concept of ONP is premised on harmonization between EPA, NHTSA and California Air Resources Board (CARB). When ONP was initially established, automotive manufacturers agreed with all three agencies to abide by a harmonized set of GHG and fuel economy standards. Mercedes-Benz considers implementation of ONP to be the most efficient means of achieving federal and state environment and energy goals. In January 2017, President Trump issued an Executive Order directing federal agencies to reduce regulatory burdens whenever possible.⁸ We agree, and consider these programs ripe for continued consideration under the premise of harmonization and relevant for the same reasons as considered when ONP1 and ONP2 were first established. For Mercedes-Benz, harmonization implementation includes the participation of all entities which have a vested interest in the outcome of greenhouse gas and fuel efficiency standards.

In the past, EPA and NHTSA worked closely with CARB to come to a resolution which provides the least burdensome pathway for compliance while still satisfying the regulatory priorities of each region in the US. We encourage EPA, NHTSA, and CARB to continue this mutual cooperation throughout this rulemaking process to achieve joint environment and energy goals through ONP2. Continuing ONP and coming to a joint consensus eliminates the risk of stakeholder divestment and creates the best path forward with the most regulatory certainty for MYs 2021 – 2026. Without ONP, automakers may elect to strategically place vehicles in specific locations, which may unnecessarily distort EV fleet adoption. Mercedes-Benz commits to working with all stakeholders to develop a workable set of standards premised upon the concept under which ONP was originally considered and which can be supported by EPA, NHTSA, CARB and other stakeholders.

Section III: Pathways to Compliance

a. Advanced Technology Vehicle Multipliers

Under the current greenhouse gas (“GHG”) regulatory schedule, EPA provides credit-based multiplier incentives for electric vehicles, fuel cell vehicles, plug-in hybrid vehicles, and natural gas vehicles. Additionally, manufacturers are able to take advantage of a 0 g/mile emissions factor for all electrically powered vehicles rather than having to account for the GHG emissions

⁷ Presidential Memorandum Regarding Fuel Efficiency Standards, May 21, 2010.

<https://obamawhitehouse.archives.gov/the-press-office/presidential-memorandum-regarding-fuel-efficiency-standards>

⁸ Reducing Regulation and Controlling Regulatory Costs, Exec. Order Np. 13771, 82 Fed Reg. 9339 (Feb. 3, 2017).

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associated with upstream electricity generation up to a per-manufacturer cumulative production cap for MYs 2022-2025. The multiplier schedule begins in MY 2017 and ends after MY 2021. The agencies are seeking comment on whether to expand these incentives.

Mercedes-Benz strongly supports EPA's proposal to expand and increase the advanced technology multipliers. We have long maintained that government incentives and support are essential to ensuring manufacturer investment and consumer adoption by accelerating commercialization of these technologies. EPA initially hypothesized that an incentive multiplier could promote the initial commercialization of these advanced technologies in later years of the program. Electric vehicles have not yet reached mass deployment in the marketplace, and consumers are still slow to adopt the technology. As such, this likely pushes electric vehicle adoption to later years of the program. It is unlikely that at this take rate, electric vehicle technologies will reach mass deployment within the rulemaking period under discussion today. Mercedes-Benz encourages expanding the multiplier schedule through MY 2026, the end of the preferred scenario proposed by EPA and NHTSA. In addition to expanding incentives, we support increasing the value of advanced technology multipliers from the current values to 4.5x for battery electric and fuel cell vehicles and 3.0x for plug-in hybrid vehicles.

In addition to expanding advanced technology multipliers for EPA, Mercedes-Benz views multipliers as an opportunity for harmonization by providing multipliers under the fuel economy program. We suggest that NHTSA provide the same multipliers, and expand multiplier usage through MY 2026, consistent with our suggestions for EPA. We see a sufficient nexus between the objectives of the fuel economy program and electric vehicle deployment to offer the same incentives.

b. Hybrid Incentives (Mild and Strong Hybrid Expansion)

Beginning in MY 2017, EPA finalized criteria which allow manufacturers to utilize an adjustment factor for full-size pick-up trucks that employ hybrid technologies for a significant quantity of those trucks. NHTSA applied a similar adjustment for the CAFE program. The incentives are scheduled to phase-out as follows: mild hybrids in MY 2021, strong hybrids in MY 2025, the 15% performance incentive (10 g/mi) in MY 2021 and the 20% performance incentive (20 g/mi) is available for a maximum of 5 years between MYs 2017-2025, provided the vehicle's CO₂ emissions level does not increase. At the time of this rulemaking, it is our understanding that no manufacturer is utilizing this incentive.

Mercedes-Benz supports expanding these credits to all light-duty truck variants (including cross-over vehicles, minivans, sport utility vehicles, and smaller-sized pickups). EPA and NHTSA should also expand these incentives through the end of the regulatory period, MY 2026. Hybrid incentives are an opportunity for the agencies to promote deployment of electrification technologies to the fleet, especially as the market share of trucks increases. These incentives provide a non-consumer based opportunity for manufacturers to recoup the investment of adopting EV technologies, especially in the light-duty truck fleet which face utility challenges to which passenger cars are less sensitive. At the time that the agencies finalized these provisions, the market share of light duty trucks was in a phase of decline. Since then, light-duty truck sales have escalated and starting with MY 2018, are expected to surpass passenger car sales. Mercedes-Benz expects this trend to continue, as consumers lean toward vehicles which provide

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them with added functionality, particularly while fuel prices remain low. As such, we hope the agencies will continue to aid in the deployment of hybrid technologies, which we consider a transitional technology to promote next step electric vehicle adoption.

c. Incentives for Connected and Automated Vehicles

Congestion mitigation leads directly to CO₂ and fuel consumption reductions by seeking to divert more vehicles away from heavily-trafficked areas (via, e.g., intelligent route planning, rerouting), and the resulting congestion that ensues. Concomitantly, safety and crash avoidance technologies serve not only to promote motor vehicle safety, but also to ease the flow of traffic and mitigate traffic congestion associated with motor vehicle collisions. The beneficial impact to real world CO₂ and fuel economy these technologies bring to the marketplace should be recognized and their widespread deployment should be considered when developing future standards.

In 2012, Mercedes-Benz submitted comments describing a host of congestion mitigation technologies that could be determined to provide up to 3-6 g of credit per vehicle, even though vehicle congestion continues to increase. The agencies agreed in ONP2 that there is “a clear nexus between congestion mitigation and fuel/CO₂ savings for the entire on-road fleet,” but could not discern a calculable relationship that could be directly attributable to individual vehicles and declined to assign credit for these types of technologies.⁹ This is an opportunity for the agencies to incentivize game-changing technologies such as automated vehicles, V2X, self-parking cars, and other revolutionary technology deployments. However, we view this topic as one ripe for consideration under the next iteration of greenhouse gas and fuel economy standards, where we think it will be most impactful.

We propose that EPA and NHTSA further consider opportunities for advanced safety technologies within this space by working with University of California, Davis, University of Michigan Transportation Research Institute (UMTRI) or another similar stakeholder to investigate the efficiency and emission benefits of these types of technologies. A similar pathway might entail coordinating with national labs or external consultants to quantify the benefits. While facilitating the inclusion of these types of technologies under this rulemaking may be premature, we firmly believe that there will be opportunities under the post-2026 rulemaking to incentivize these technologies. Mercedes-Benz offers its support in the agencies’ quest to quantify the benefits of these technologies.

Finally, we caution the agencies to avoid unintentionally regulating technology specifications for connected vehicle technology within this rulemaking. At this stage, the pathway for connected vehicle technology is not yet set and any regulatory initiative to incentivize adoption of connected technology should remain technologically neutral in implementation. Once again, we encourage NHTSA and EPA to work jointly when considering adoption of incentives in the connected and automated space, as well as consider all existing rulemaking efforts to ensure maximum harmonization.

⁹ 77 Fed. Reg. at 62732.

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d. Credits

EPA and NHTSA included many off-cycle credit provisions, average banking and trading (ABT) and alternative fuel credits as flexibility opportunities for manufacturers under ONP1 and ONP2. These flexibilities can be realized by introducing vehicles in the market which exceed the standard in a given model year; by introducing advanced technologies through the off-cycle credit pathways; by transferring credits within a manufacturer's fleet; and by trading between manufacturers.

Daimler was the first manufacturer to take advantage of the off-cycle credit pathway which allows manufacturers to submit test data to prove the value of an off-cycle credit technology.¹⁰ This petition resulted in credits for idle start-stop technology, a technology which is widely available within our fleet. The petition process was costly and time-consuming for both Mercedes-Benz and EPA, and required over two years to come to completion. The same process and length of time remains consistent among other manufacturers to realize the benefits of off-cycle credit technologies.

Mercedes-Benz supports proposals for off-cycle credit improvement processes, which seek to minimize workload burden for similar technology applications, repeat technology applications and provide timely guidance upon submission of an application. Mercedes-Benz encourages EPA to consider process improvements within its application pathways to reduce burdens associated with an individual manufacturer's application, especially when seeking credits for a technology previously approved by the agency.

Section IV: Regulatory Administration

a. Credit Banking and Trading

Credits are essential for compliance under EPA's GHG program which, by statute, does not allow a manufacturer to pay fines for non-compliance. As such, Mercedes-Benz utilizes credit trading provisions to purchase credits from other manufacturers to comply with the GHG regulations. Credit provisions with continued availability and flexibility would be most beneficial for internal product and compliance planning, as credits must be included as part of this planning process. We encourage credit systems which maximize internal R&D investments. To cover potential gaps-to-target, Mercedes-Benz may need the ability to purchase credits from manufacturers with sufficient balances to meet its model year compliance target under the current regulatory schedule. By expanding credit opportunities the agencies provide manufacturers with preferable, continuous opportunities to close compliance gaps.

Under NHTSA's proposal, the agency seeks comment on whether it should eliminate the credit trading provisions in 49 CFR part 536 beginning in MY 2022. While we appreciate NHTSA's consideration of the unintended consequences of a credit marketplace, we stress that credit trading remains a key component for compliance through MY 2025, and perhaps beyond. As NHTSA notes, the credit trading program is optional under the Energy Independence and Security Act (EISA). Manufacturers are free to accrue credits and apply them with regard to their

¹⁰ Mercedes-Benz Request for MY2012 – MY2016 GHG Credits for Advanced Technologies, EPA-HQ-OAR-2013-0002 (October 2013).

EPA Decision Document: Mercedes-Benz Off-cycle Credits for MYs 2012-2016 (September 2014).

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individual compliance strategy under the program. Mercedes-Benz encourages NHTSA to maintain credit trading provisions as a means of flexibility under the regulation.

In addition to the elimination of the credit trading program, NHTSA is seeking comment on updating credit trading documents and the disclosure of detailed credit transaction information. Mercedes-Benz supports opportunities for process improvements related to implementation of this rulemaking. With respect to NHTSA's specific request about disclosing credit transaction information, Mercedes-Benz does not support amending the regulation to include such information as the compensation exchanged for credits, including the cost and number of credits acquired. The credit trading process requires thoughtful negotiations between two entities and is inextricably intertwined with each manufacturer's compliance strategy. Disclosing this information would not only lead to less than ideal negotiation strategies between varying manufacturers, but would result in competitive harm. To date, a limited number of manufacturers strongly rely on this pathway for compliance which puts a limited number of manufacturers at unnecessary risk of a volatile credit market.

b. Corporate Average Fuel Economy (CAFE) Reporting Templates

NHTSA is proposing changes to CAFE Reporting requirements with the intent to streamline reporting and data collection from manufacturers. After a review of the proposed CAFE reporting templates, we propose that NHTSA utilize the feedback received in this rulemaking process and conduct a workshop focused on proposed changes to CAFE reporting independent of this rulemaking. The templates propose that NHTSA receive some information which is not currently collected as part of the fuel economy testing process and would require additional burden while conducting test procedures. In some cases, NHTSA is requesting information which we think could be best served as an "optional" reporting requirement.

Please see the list below for some detailed comments on CAFE reporting:

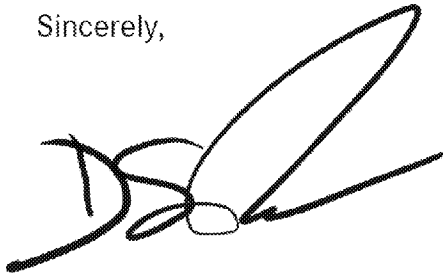
- Under the "Projection" template, we suggest that NHTSA omit the following:
 - Under the Footprint tabs: Type of Overdrive, Type of Torque Converter, Catalyst Usage;
 - Under Fuel Economy tabs: Calibration, Distributor Calibration, Choke Calibration, Basic Vehicle Frontal Area and Optional Equipment;
- Under the "Projection" template: Footprint tab, it would be helpful to have a better understanding of NHTSA's intention for the content of manufacturers' submissions under the Basic Engine (Electric Vehicle) section:
 - Electric Traction Motor, Motor Controller, Battery Configuration, Electrical Charging System, Energy Storage Device.
- With respect to the Off-Cycle and Air Conditioning tabs, it is difficult to predict the projected sales of these technologies with accuracy. Tying sales data to off-cycle and air conditioning improvements would provide little value, as the actual values will not match the projections.

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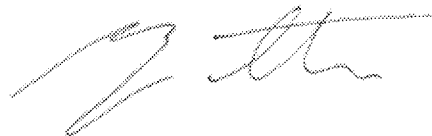
We encourage NHTSA to consider stakeholder comments with respect to revising the reporting templates. Additionally, NHTSA should consider working with EPA to come to a common agreement on reporting templates and methodologies and include EPA in any stakeholder workshops the agency plans to conduct on this joint rulemaking.

In closing, we very much appreciate the opportunity to offer our thoughts on these critical subjects. We look forward to working with NHTSA and EPA on the topics above, including cementing a pathway for One National Program.

Sincerely,

A handwritten signature in black ink, appearing to be 'D. Tait', with a large, sweeping loop at the end.

David Tait
General Manager, Engineering Services

A handwritten signature in black ink, appearing to be 'G. Gunther', with a stylized, cursive style.

Gregory Gunther
Department Manager,
Vehicle Compliance and Analysis